GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:1641
ANSWERED ON:23.08.2007
MARKET SHARE OF INDIAN AIRLINES
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Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Indian Airlines market share has been declining steadily and has come down to 21 percent from 30 per cent;

(b) if so, the details and the reasons therefor; and

(c) the steps the Government propose to take to arrest the declining trend?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a) and (b): Yes, Sir. While the number of passangers carried by Indian Airlines increased from 6.9 million in 2005-06 to 7.1 million in 2006-07, its market share in the domestic market declined from 29.4% in 2005-06 to 21.3% in 2006-07.Indian Airlines` market share has been impacted due to entry of private airlines, availability of low cost carriers, induction of new and latest technology aircraft by private airlines, decline in capacity share of Indian Airlines etc.

(c): In order to boost Indian Airlines` capacity share,which has a direct correlation with market share, Government has approved purchase of 43 new A-320 family aircraft.Government has also approved the merger of Indian Airlines and Air India, which will lead to developing seamless connectivity of regional operations,short to medium-haul trunk operations and long haul operations offering improved product through wider network coverage. Indian Airlines has also resorted to aggressive marketing and sales initiatives. As a result of these initiatives, the domestic market share of Indian Airlines has shown some improvement in March, April and May,2007.